

**IC 20-24-12**

## Chapter 12. Charter School Facilities Assistance Program

**IC 20-24-12-1****Establishment**

Sec. 1. The charter school facilities assistance program is established.

*As added by P.L.91-2011, SEC.25.*

**IC 20-24-12-2****Purpose**

Sec. 2. The purpose of the program is to make grants and loans to charter schools for the purpose of:

- (1) constructing;
- (2) purchasing;
- (3) renovating;
- (4) maintaining;
- (5) paying first semester costs for new; and
- (6) reducing common school fund debt for;

charter schools.

*As added by P.L.91-2011, SEC.25.*

**IC 20-24-12-3****Department to administer program**

Sec. 3. The department shall administer the program.

*As added by P.L.91-2011, SEC.25.*

**IC 20-24-12-4****Fund**

Sec. 4. (a) The charter school facilities assistance fund is established. The department shall administer the fund.

(b) The fund consists of the following:

- (1) Money appropriated or authorized by the general assembly.
- (2) The repayment proceeds of loans made to charter schools from the fund.
- (3) Any gifts and grants made to the fund or other money required by law to be deposited in the fund.
- (4) Any federal grants that are received to capitalize or supplement the fund.
- (5) Any earnings on money in the fund.

(c) The expenses of administering the fund shall be paid from money in the fund.

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

(e) The fund may be used by the department as a revolving fund for the purposes described in section 2 of this chapter.

(f) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

*As added by P.L.91-2011, SEC.25.*

**IC 20-24-12-5****Federal funds**

Sec. 5. The department may apply to the United States Department of Education for a state charter school facilities incentive program grant authorized under 34 U.S.C. 7221d(b). The department shall use the proceeds of any state charter school facilities incentive program grant awarded to the state for purposes of the program. To the extent permitted by federal law, the proceeds may be used to pay the administrative expenses of the program.

*As added by P.L.91-2011, SEC.25.*

**IC 20-24-12-6****Use of funds**

Sec. 6. The department may authorize money in the fund to be used for any of the following purposes:

- (1) To pay first semester costs for charter schools first opening after June 30, 2011.
- (2) To repay advances and loans to charter schools made before June 30, 2011.
- (3) To match federal grants described in IC 20-24-7-11(a).
- (4) To loan or grant money from the fund to a charter school to carry out the purposes described in section 2 of this chapter.

*As added by P.L.91-2011, SEC.25.*

**IC 20-24-12-7****Procedures for providing grants and loans**

Sec. 7. (a) The department shall establish written procedures for providing grants or loans from the fund to charter schools. The written procedures must include at least the following:

- (1) An application procedure.
- (2) A procedure to identify projects that may qualify for a grant or loan.
- (3) Criteria for establishing the priority of projects for which grants or loans will be made.
- (4) Procedures for selecting projects for which grants or loans will be made.

(b) To apply for a grant or loan from the fund, a charter school must submit an application that contains the information required by the department.

*As added by P.L.91-2011, SEC.25.*

**IC 20-24-12-8****Criteria for receiving grant or loan**

Sec. 8. In making its determination to approve or disapprove a grant or loan application, the department may consider the following:

- (1) The soundness of the financial business plans of the applicant charter school.
- (2) The availability to the charter school of other sources of funding.
- (3) The geographic distribution of grants or loans made from

the fund.

(4) The impact that grants or loans received under this chapter will have on the charter school's receipt of other private and public financing.

(5) Plans for innovatively enhancing or leveraging funds received under this chapter, such as loan guarantees or other types of credit enhancements.

(6) The financial needs of the charter school.

*As added by P.L.91-2011, SEC.25.*

#### **IC 20-24-12-9**

##### **Grant or loan on per student basis**

Sec. 9. The department may make grants or loans under this chapter on a per student basis.

*As added by P.L.91-2011, SEC.25.*

#### **IC 20-24-12-10**

##### **Loans**

Sec. 10. The following apply to a loan from the fund to a charter school under this chapter:

(1) A loan may not exceed the maximum amount set by the department.

(2) The term of the loan may not exceed fifteen (15) years after the date of the loan.

(3) A charter school may receive multiple loans from the fund as long as the total amount outstanding on all loans granted to the charter school from the fund do not exceed the maximum amount set by the department.

(4) The department shall determine the interest rate and other terms for the loan, subject to the approval of the state board of finance.

(5) A charter school must enter into a loan agreement with the department before receiving a loan from the fund.

*As added by P.L.91-2011, SEC.25.*

#### **IC 20-24-12-11**

##### **Repayment of loans**

Sec. 11. A charter school receiving a loan under this chapter shall repay the loan from:

(1) the amount of state tuition support that the charter school is eligible to receive; and

(2) to the extent that state tuition support is insufficient to meet the debt service obligations of the charter school, other resources available to the charter school.

*As added by P.L.91-2011, SEC.25.*

#### **IC 20-24-12-12**

##### **Department to withhold loan repayments**

Sec. 12. The department shall withhold the amount of the balance of the loan due in a year on a loan made under this chapter from state

tuition support distributions that would otherwise be made in the year to the charter school. To the extent possible, the department shall withhold an equal amount from each installment of state tuition support distributed to the charter school. Withheld amounts reduce the balance of the loan of the charter school. The auditor of state shall transfer withheld amounts to the fund.

*As added by P.L.91-2011, SEC.25.*